

Executive Summary – Enforcement Matter – Case No. 41645
National Oilwell Varco, L.P.
RN100213024
Docket No. 2011-0742-IWD-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

IWD

Small Business:

No

Location(s) Where Violation(s) Occurred:

West Little York Coating Plant, 12100 West Little York Road, approximately one mile southwest of the intersection of United States Highway 290 and State Route 529, Houston, Harris County

Type of Operation:

Coating plant with an associated wastewater treatment facility

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: August 19, 2011

Comments Received: No

Penalty Information

Total Penalty Assessed: \$1,380

Amount Deferred for Expedited Settlement: \$276

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$1,104

Total Due to General Revenue: \$0

Payment Plan: N/A

SEP Conditional Offset: \$0

Name of SEP: N/A

Compliance History Classifications:

Person/CN - Average

Site/RN - Average

Major Source: No

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: September 2002

Executive Summary – Enforcement Matter – Case No. 41645
National Oilwell Varco, L.P.
RN100213024
Docket No. 2011-0742-IWD-E

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: April 15, 2011

Date(s) of NOE(s): April 28, 2011

Violation Information

Failed to comply with the permitted effluent limits for total copper. Specifically, the total copper daily average concentration exceeded the permit limit of 0.024 milligrams per liter ("mg/L") for the months of December 2010 (0.035 mg/L) and January 2011 (0.072 mg/L) and the total copper daily maximum concentration exceeded the permit limit of 0.05 mg/L for the months of December 2010 (0.1 mg/L) and January 2011 (0.257 mg/L) [TEX. WATER CODE § 26.121(a)(1), 30 TEX. ADMIN. CODE § 305.125(1), and Texas Pollutant Discharge Elimination System ("TPDES") Permit No. WQ0002104000, Effluent Limitations and Monitoring Requirements No. 1].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

N/A

Technical Requirements:

Within 90 days, submit written certification of compliance with the effluent limits of TPDES Permit No. WQ0002104000, including specific corrective actions that were implemented at the Facility to achieve compliance and copies of the most current self reported discharge monitoring reports, demonstrating at least three consecutive months of compliance with all permitted effluent limitations.

Litigation Information

Date Petition(s) Filed: N/A

Date Answer(s) Filed: N/A

SOAH Referral Date: N/A

Hearing Date(s): N/A

Settlement Date: N/A

Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: Lanae Foard, Enforcement Division, Enforcement Team 1, MC 169, (512) 239-2554; Debra Barber, Enforcement Division, MC 219, (512) 239-0412.

TCEQ SEP Coordinator: N/A

Executive Summary – Enforcement Matter – Case No. 41645

National Oilwell Varco, L.P.

RN100213024

Docket No. 2011-0742-IWD-E

Respondent: Isaac Joseph, President, National Oilwell Varco, L.P., 7909 Parkwood Circle Drive, Houston, Texas 77036

Respondent's Attorney: N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

TCEQ

DATES	Assigned	2-May-2011	Screening	13-May-2011	EPA Due	
	PCW	18-May-2011				

RESPONDENT/FACILITY INFORMATION

Respondent	National Oilwell Varco, L.P.		
Reg. Ent. Ref. No.	RN100213024		
Facility/Site Region	12-Houston	Major/Minor Source	Minor

CASE INFORMATION

Enf./Case ID No.	41645	No. of Violations	1
Docket No.	2011-0742-IWD-E	Order Type	1660
Media Program(s)	Water Quality	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Lanae Foard
		EC's Team	Enforcement Team 1
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) **Subtotal 1** **\$1,000**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History **38.0%** Enhancement **Subtotals 2, 3, & 7** **\$380**

Notes: Enhancement for two months of self-reported effluent violations, four NOV's with dissimilar violations, and one order with denial of liability language.

Culpability **No** **0.0%** Enhancement **Subtotal 4** **\$0**

Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments **Subtotal 5** **\$0**

Economic Benefit **0.0%** Enhancement* **Subtotal 6** **\$0**

Total EB Amounts \$559
Approx. Cost of Compliance \$10,000
*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 **Final Subtotal** **\$1,380**

OTHER FACTORS AS JUSTICE MAY REQUIRE **0.0%** **Adjustment** **\$0**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

Final Penalty Amount **\$1,380**

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty** **\$1,380**

DEFERRAL **20.0%** Reduction **Adjustment** **-\$276**

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes:

Deferral offered for expedited settlement.

PAYABLE PENALTY **\$1,104**

Screening Date 13-May-2011

Docket No. 2011-0742-IWD-E

PCW

Respondent National Oilwell Varco, L.P.

Policy Revision 2 (September 2002)

Case ID No. 41645

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100213024

Media [Statute] Water Quality

Enf. Coordinator Lanae Foard

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>)	2	10%
	Other written NOVs	4	8%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	1	20%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgements or consent decrees meeting criteria</i>)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were submitted</i>)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	0	0%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 38%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance
History
Notes

Enhancement for two months of self-reported effluent violations, four NOVs with dissimilar violations, and one order with denial of liability language.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 38%

Screening Date 13-May-2011

Docket No. 2011-0742-IWD-E

PCW

Respondent National Oilwell Varco, L.P.

Policy Revision 2 (September 2002)

Case ID No. 41645

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100213024

Media [Statute] Water Quality

Enf. Coordinator Lanae Foard

Violation Number 1

Rule Cite(s) Tex. Water Code § 26.121(a)(1), 30 Tex. Admin. Code § 305.125(1), and Texas Pollutant Discharge Elimination System Permit No. WQ0002104000, Effluent Limitations and Monitoring Requirements No. 1

Violation Description Failed to comply with the permitted effluent limits for total copper, as documented during a record review conducted on April 15, 2011. Specifically, the total copper daily average concentration exceeded the permit limit of 0.024 milligrams per liter ("mg/L") for the months of December 2010 (0.035 mg/L) and January 2011 (0.072 mg/L) and the total copper daily maximum concentration exceeded the permit limit of 0.05 mg/L for the months of December 2010 (0.1 mg/L) and January 2011 (0.257 mg/L).

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

Percent 10%

>> Programmatic Matrix

Falsification	Harm		
	Major	Moderate	Minor

Percent 0%

Matrix Notes

A simplified model was used to evaluate total copper to determine whether the discharged amounts of pollutants exceeded protective levels. Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$9,000

\$1,000

Violation Events

Number of Violation Events 1

62 Number of violation days

mark only one with an x	daily	
	weekly	
	monthly	
	quarterly	X
	semiannual	
	annual	
	single event	

Violation Base Penalty \$1,000

One quarterly event is recommended.

Good Faith Efforts to Comply

0.0% Reduction

\$0

Before NOV NOV to EDPRP/Settlement Offer

Extraordinary		
Ordinary		
N/A	X	(mark with x)

Notes

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$1,000

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$559

Violation Final Penalty Total \$1,380

This violation Final Assessed Penalty (adjusted for limits) \$1,380

Economic Benefit Worksheet

Respondent National Oilwell Varco, L.P.

Case ID No. 41645

Reg. Ent. Reference No. RN100213024

Media Water Quality

Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$10,000	31-Dec-2010	12-Feb-2012	1.12	\$559	n/a	\$559

Notes for DELAYED costs

Estimated cost to determine the cause of noncompliance and to make any necessary repairs/adjustments to the Facility. Date required is the initial date of noncompliance. Final date is the expected date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$10,000

TOTAL

\$559

Compliance History

Customer/Respondent/Owner-Operator:	CN602962334 National Oilwell Varco, L.P.	Classification: AVERAGE	Rating: 2.92
Regulated Entity:	RN100213024 WEST LITTLE YORK COATING PLANT	Classification: AVERAGE	Site Rating: 0.37
ID Number(s):	AIR OPERATING PERMITS	ACCOUNT NUMBER	HG0539K
	AIR OPERATING PERMITS	PERMIT	1818
	INDUSTRIAL AND HAZARDOUS WASTE	EPA ID	TXD000808006
	INDUSTRIAL AND HAZARDOUS WASTE	SOLID WASTE REGISTRATION # (SWR)	31307
	WASTEWATER	PERMIT	WQ0002104000
	WASTEWATER	EPA ID	TX0075370
	AIR NEW SOURCE PERMITS	PERMIT	4908
	AIR NEW SOURCE PERMITS	REGISTRATION	6700
	AIR NEW SOURCE PERMITS	REGISTRATION	13474
	AIR NEW SOURCE PERMITS	REGISTRATION	33635
	AIR NEW SOURCE PERMITS	REGISTRATION	40536
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	HG0539K
	AIR NEW SOURCE PERMITS	AFS NUM	4820100322
	AIR NEW SOURCE PERMITS	REGISTRATION	70346
	AIR NEW SOURCE PERMITS	REGISTRATION	72262
	POLLUTION PREVENTION PLANNING	ID NUMBER	P00061
	AIR EMISSIONS INVENTORY	ACCOUNT NUMBER	HG0539K
Location:	12100 WEST LITTLE YORK ROAD, APPROXIMATELY ONE MILE SOUTHWEST OF THE INTERSECTION OF UNITED STATES HIGHWAY 290 AND STATE ROUTE 529, HOUSTON, HARRIS COUNTY, TEXAS		
TCEQ Region:	REGION 12 - HOUSTON		
Date Compliance History Prepared:	May 04, 2011		
Agency Decision Requiring Compliance History:	Enforcement		
Compliance Period:	May 04, 2006 to May 04, 2011		
TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History			
Name:	Lanae Foard	Phone:	(512) 239-2554

Site Compliance History Components

1. Has the site been in existence and/or operation for the full five year compliance period? Yes
2. Has there been a (known) change in ownership/operator of the site during the compliance period? Yes
3. If Yes, who is the current owner/operator?

OWNOPR	Varco, L.P.
OWNOPR	ICO Worldwide, L.P.
OWNOPR	National Oilwell Varco, L.P.
OWN	ICO P&O Inc

4. If Yes, who was/were the prior owner(s)/operator(s)? OWNOPR Tuboscope Vetco International, L.P.
5. When did the change(s) in owner or operator occur? 10/03/2008 OWNOPR Tuboscope Vetco International, L.P.
6. Rating Date: 9/1/2010 Repeat Violator: NO

Components (Multimedia) for the Site :

- A. Final Enforcement Orders, court judgments, and consent decrees of the State of Texas and the federal government.

Effective Date: 07/21/2008

ADMINORDER 2007-2023-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: 4908, Special Condition 1 PERMIT
 O-01818 Special Condition 6 OP

Description: Failure to operate within the permitted VOC emissions limits for the TO-4, EXTCOATFUG and EXTCOATFUG2 units.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: 4908, Special Condition 11E PERMIT
 O-01818 Special Condition 6 OP

Description: Failure to monitor the thermal oxidizer (TO-4) from 5/01/2006 through 8/28/2006 and from 1/14/2007 through 2/07/2007.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: O-01818 Special Condition 6 OP
 Special Condition 11(B)(2) PERMIT

Description: Failure to keep records to show that application of varnish at the outdoor coater EXTCOATFUG occurred during daylight hours from the period of 8/01/2006 through 2/28/2007.

- B. Any criminal convictions of the state of Texas and the federal government.

N/A

- C. Chronic excessive emissions events.

N/A

- D. The approval dates of investigations. (CCEDS Inv. Track. No.)

- 1 06/23/2006 (482728)
- 2 05/19/2006 (502985)
- 3 06/16/2006 (502986)
- 4 07/14/2006 (525324)
- 5 09/22/2006 (525325)
- 6 10/13/2006 (550048)
- 7 11/16/2006 (550049)
- 8 12/15/2006 (550050)
- 9 09/06/2007 (570693)

10	08/27/2007	(573245)
11	08/24/2007	(573489)
12	02/20/2007	(584945)
13	03/27/2007	(584946)
14	04/16/2007	(584947)
15	05/22/2007	(584948)
16	06/18/2007	(584949)
17	01/22/2007	(584950)
18	11/27/2007	(593842)
19	08/10/2007	(604395)
20	08/20/2007	(604396)
21	09/17/2007	(604397)
22	01/14/2008	(613621)
23	10/26/2007	(623438)
24	11/16/2007	(623439)
25	12/17/2007	(623440)
26	02/19/2008	(674755)
27	03/17/2008	(674756)
28	01/17/2008	(674757)
29	05/15/2008	(693077)
30	05/19/2008	(693078)
31	06/19/2008	(714305)
32	07/21/2008	(714306)
33	08/13/2008	(714307)
34	09/23/2008	(714308)
35	10/17/2008	(730289)
36	11/18/2008	(730290)
37	12/15/2008	(730291)
38	02/16/2009	(753498)
39	01/12/2009	(753499)

40	03/20/2009	(770974)
41	04/20/2009	(770975)
42	05/18/2009	(770976)
43	03/12/2010	(789618)
44	08/18/2010	(803078)
45	02/19/2010	(812765)
46	06/08/2009	(812766)
47	07/20/2009	(812767)
48	08/14/2009	(812768)
49	09/21/2009	(812769)
50	10/19/2009	(812770)
51	11/16/2009	(812771)
52	12/14/2009	(812772)
53	01/20/2010	(812773)
54	03/22/2010	(833703)
55	04/12/2010	(833704)
56	05/17/2010	(833705)
57	06/17/2010	(847140)
58	08/27/2010	(850123)
59	10/06/2010	(863362)
60	08/16/2010	(867941)
61	10/05/2010	(874889)
62	09/17/2010	(874890)
63	10/20/2010	(882489)
64	11/17/2010	(888931)
65	12/27/2010	(897280)
66	01/21/2011	(903184)
67	02/17/2011	(910104)
68	04/29/2011	(912861)

Date: 08/27/2007 (573245) CN602962334
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
30 TAC Chapter 122, SubChapter B 122.145(2)(C)
5C THC Chapter 382, SubChapter D 382.085(b)
O-1818 General Terms and Conditions OP
Description: Failure to submit semi-annual deviation report within 30 days of the end of deviation reporting period.

Date: 11/27/2007 (599426) CN602962334
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(1)(F)(ii)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THC Chapter 382, SubChapter A 382.085(b)

O-01818 Special Condition 3(iii) OP
Description: Failure to conduct quarterly opacity observations for the period of 5/24/2006 through 8/28/2006.

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THC Chapter 382, SubChapter A 382.085(b)
O-01818 Special Condition 6 OP
Special Condition 11(C)(1) PERMIT
Description: Failure to report the hourly emissions as a daily average in the monthly reports from the renewal of Permit 4908 on October 11, 2005 through September 2007.

Date: 03/11/2010 (789618) CN602962334
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 319, SubChapter A 319.11(b)

Description: Failure to properly store wastewater samples, prior to pick-up.

Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 319, SubChapter A 319.7(a)
30 TAC Chapter 319, SubChapter A 319.7(c)
Monitoring and Reporting PERMIT

Description: Failure to maintain pH calibration log.

Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 319, SubChapter A 319.4
Other Requirements #6 PERMIT

Description: Failure to collect E.Coli samples upon issuance of permit.

Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 319, SubChapter A 319.7(c)
Other Requirements #7 PERMIT

Description: Failure to submit Quarterly Progress Report for copper.

Date: 08/19/2010 (803078) CN602962334
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 122, SubChapter B 122.143(15)
30 TAC Chapter 122, SubChapter B 122.165(a)
5C THSC Chapter 382 382.085(b)
FOP 1818 GT&C OP

Description: Failure to certify the Annual Compliance Certification and the second deviation report dated March 30, 2010. (Category C3 violation)

Date: 12/31/2010 (903184) CN602962334
Self Report? YES Classification: Moderate
Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
30 TAC Chapter 305, SubChapter F 305.125(1)
Description: Failure to meet the limit for one or more permit parameter

Date: 01/31/2011 (910104) CN602962334
Self Report? YES Classification: Moderate
Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)

Description: Failure to meet the limit for one or more permit parameter

F. Environmental audits.

N/A

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
NATIONAL OILWELL VARCO,
L.P.
RN100213024**

**§ BEFORE THE
§
§ TEXAS COMMISSION ON
§
§ ENVIRONMENTAL QUALITY
§**

AGREED ORDER DOCKET NO. 2011-0742-IWD-E

I. JURISDICTION AND STIPULATIONS

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding National Oilwell Varco, L.P. ("the Respondent") under the authority of TEX. WATER CODE chs. 7 and 26. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent appear before the Commission and together stipulate that:

1. The Respondent owns and operates a coating plant with an associated wastewater treatment facility located at 12100 West Little York Road, approximately one mile southwest of the intersection of United States Highway 290 and State Route 529 in Houston, Harris County, Texas (the "Facility").
2. The Respondent has discharged industrial waste into or adjacent to any water in the state under TEX. WATER CODE ch. 26.
3. The Commission and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about May 3, 2011.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.

6. An administrative penalty in the amount of One Thousand Three Hundred Eighty Dollars (\$1,380) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid One Thousand One Hundred Four Dollars (\$1,104) of the administrative penalty and Two Hundred Seventy-Six Dollars (\$276) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty.
7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director of the TCEQ and the Respondent have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
9. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
10. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
11. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Facility, the Respondent is alleged to have failed to comply with the permitted effluent limits for total copper, in violation of TEX. WATER CODE § 26.121(a)(1), 30 TEX. ADMIN. CODE § 305.125(1), and Texas Pollutant Discharge Elimination System ("TPDES") Permit No. WQ0002104000, Effluent Limitations and Monitoring Requirements No. 1, as documented during a record review conducted on April 15, 2011. Specifically, the total copper daily average concentration exceeded the permit limit of 0.024 milligrams per liter ("mg/L") for the months of December 2010 (0.035 mg/L) and January 2011 (0.072 mg/L) and the total copper daily maximum concentration exceeded the permit limit of 0.05 mg/L for the months of December 2010 (0.1 mg/L) and January 2011 (0.257 mg/L).

III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: National Oilwell Varco, L.P., Docket No. 2011-0742-IWD-E" to:

Financial Administration Division, Revenues Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. It is further ordered that within 90 days after the effective date of this Agreed Order, the Respondent shall submit written certification of compliance with the effluent limits of TPDES Permit No. WQ0002104000, including specific corrective actions that were implemented at the Facility to achieve compliance and copies of the most current self reported discharge monitoring reports, demonstrating at least three consecutive months of compliance with all permitted effluent limitations. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

Water Section, Manager
Houston Regional Office
Texas Commission on Environmental Quality
5425 Polk Avenue, Suite H
Houston, Texas 77023-1486

3. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Facility operations referenced in this Agreed Order.
4. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
6. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
7. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.
8. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission



For the Executive Director

10/6/11

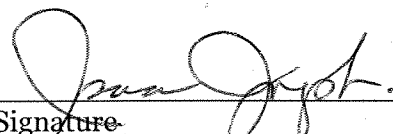
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

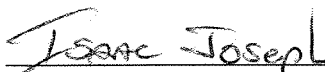
In addition, any falsification of any compliance documents may result in criminal prosecution.



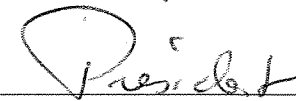
Signature

July 13, 2011

Date



Name (Printed or typed)
Authorized Representative of
National Oilwell Varco, L.P.



Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenues Section at the address in Section IV, Paragraph 1 of this Agreed Order.